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C O N F I D E N T I A L SECTION 01 OF 02 DHAHRAN 000116

SIPDIS

PASS TO NEA/ARP, CA/VO/L/C, S/SRAP

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TAGS: [PGOV](#) [ECON](#) [EFIN](#) [SA](#)
SUBJECT: SAUDI CENTRAL BANK FREEZES ASSETS OF THE KINGDOM'S SECOND
WEALTHIEST BILLIONAIRE

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CLASSIFIED BY: Julie Stinehart, Acting Consul General, EXEC,
DOS.
REASON: 1.4 (b), (d)

11. KEY POINTS:

-- (C) The Saudi central bank froze assets of Ma'an al-Sanea, Saudi Arabia's second wealthiest citizen on May 30.

-- (C) It appears the order was issued pursuant to a lawsuit the al-Gosaibi family has filed against al-Sanea for unpaid loans.

-- (C) Al-Sanea is widely "known" to have the Emir of the Eastern Province (EP), Prince Mohammed bin Fahd, in his pocket as well as Crown Prince Sultan.

-- (C) Al-Sanea currently has a U.S. visa application pending, which has been held up due to derogatory intelligence related to his financial activities.

12. COMMENT:

-- (C) Post believes this order from the central bank to freeze al-Sanea's assets must have come from the top, i.e. King Abdullah. Nobody in the SAG, with the possible exception of Second Deputy Prime Minister and Minister of the Interior Prince Nayef, would likely have the authority or tenacity to make this order against such a well-connected and wealthy man. Although al-Sanea will likely recover financially from this situation, his prestige and standing will certainly be permanently downgraded. This also is a testament to the influence and power of the al-Gosaibi family, a long-time key ally of the Al Saud family that pre-dates the founding of modern Saudi Arabia. It is no small feat to convince the King to publicly humiliate the country's second wealthiest citizen, who enjoys deep connections within the royal family.

MORE MONEY, MORE PROBLEMS

13. (C) Post contacts in the banking industry said that the Saudi Arabian Monetary Agency (SAMA) has ordered all banks and financial institutions operating in Saudi Arabia to freeze the accounts of Ma'an al-Sanea, his family and business interests, including his state-of-the-art hospital in Khobar. It appears that he and his immediate family may also have a travel ban in place. The Watan newspaper ran a front-page article covering this story and international press outlets have picked up the story.

14. (C) Post contacts believe that the asset freeze is the result of a suit the Ahmad Hamad Al-Gosaibi & Brothers company filed against al-Sanea regarding loans the billionaire is not acknowledging from The International Banking Corporation (TIBC), a sixty-year-old al-Gosaibi family financial institution. Other

banks have also filed similar suits against al-Sanea, which led to the asset freeze. It appears that SAMA will not unfreeze the assets until al-Sanea pays off the loans, which total some \$5 billion, approximately \$3 billion of which would go to the al-Gosaibi family.

THE GOSAIBI FAMILY MATTERS

15. (C) Al-Sanea is intimately connected to the al-Gosaibi family by marriage through his wife, who is the sister of Saud al-Gosaibi, the family's de facto number two in its patriarchal hierarchy. Following the death of the influential and well-respected family patriarch Suleiman al-Gosaibi earlier this year, the al-Gosaibi family business has been in trouble. The eldest brother and heir apparent, Yousef, has not shown interest in taking an active role in running the family's business. Saud has been running the company's operations, but is overstretched and the company has been in the press recently with financial problems of its own.

16. (C) As a close and trusted friend and in-law, al-Sanea served as managing director of the TIBC for many years, though it is unclear when he stopped serving in that role or if he ever did stop. According to press reports, al-Gosaibi spokespeople claim that al-Sanea has been managing director of TIBC all along, but al-Sanea's Saad Group says that he hasn't been in that function for years. Post contacts and PolOff believe that the truth is probably closer to the al-Gosaibi version. In any case, it appears that al-Sanea used his influence at TIBC to make loans to his own company as well as guarantee loans to his associates and now refuses to acknowledge these debts.

MONEY CAN'T BUY EVERYTHING

17. (C) One more piece of the puzzle is that al-Sanea is widely viewed to have EP Emir Prince Mohammed bin Fahd in his pocket as

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well as being "close" to Crown Prince Sultan. However, al-Sanea's influence over the royal family does not appear to reach to King Abdullah or Prince Nayef. Al-Sanea has had some trouble in the past when a group of employees very close to him were arrested and jailed for operating an alcohol distribution ring. Several contacts believe that al-Sanea was likely involved, but was able to avoid any trouble because of his connections in the royal family.

18. (C) Finally, al-Sanea has been rumored to have been involved in money laundering activities, which was a source of ire for the royal family. In fact, he currently has a U.S. visa application pending, which is being held up on intelligence that al-Sanea may have been involved in questionable financing activities.

BIOGRAPHICAL NOTE ON MA'AN AL-SANEA

19. (C) Al-Sanea is listed in the Forbes March 2009 rankings as the 62nd richest person in the world and according to Arabian Business 2008 rankings he is the 3rd richest Arab in the world, with substantial holdings in Citigroup and HSBC. His business interests include construction, real estate development, private education, hospitals, as well as the Saudi banking industry. He was born in Kuwait and began to earn his wealth in the 1980's with the help of his powerful father-in-law, Abdulaziz al-Gosaibi. Due to his influence and standing in the EP and Saudi Arabia as a whole, al-Sanea has been a long-time contact of several U.S. Ambassadors and the U.S. Consulate in Dhahran. As recently as February 2009, former Ambassador Fraker and STINEHART